

QUARTERLY REPORT

1st Quarter : for the three months ended June 30, 2008

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

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Notes:

1. HOYA's fiscal year (FY) : from April 1 to March 31 of the following year.
2. Data used here are unaudited except that of the year ended March 31, 2008.
3. These financial statements are excerpt translation of Japanese "*Kessan Tanshin*" and have been prepared for the references only of foreign investors in accordance with accounting principles and practices generally accepted in Japan.

HOYA CORPORATION

This report is provided solely for the information of professional analysts who are expected to make their own evaluation of the company. This report contains forward-looking statements that are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, currency exchange rates, etc.

We accept no liability whatsoever for any direct or consequential loss arising from any use of this report.



August 11, 2008

Quarterly Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended June 30, 2008 and 2007

(The yen amounts shown therein are rounded down to the nearest million.)

(1) Results of Operations	Three months ended Jun. 30.		Variance
	2008	2007	(%)
Net sales	130,156	97,779	33.1
Operating income	21,857	22,640	-3.5
Ordinary income	22,473	23,976	-6.3
Net income	21,198	17,097	24.0
Net income per share (Yen)	48.97	39.61	

(2) Financial Position	As of Jun. 30.	As of Mar. 31.
	2008	2008
Total assets	685,555	689,443
Net assets	415,781	394,625
Owners' equity ratio	60.1%	56.7%
Net assets per share (Yen)	951.69	903.49

(3) Conditions of Cash Flows	Three months ended Jun. 30.	
	2008	2007
Net cash provided by operating activities	2,883	21,815
Net cash used in investing activities	-1,892	-10,891
Net cash provided by (used in) financing activities	-5,482	-5,980
Cash and cash equivalents at end of period	185,361	131,610

2. Condition of Dividends

	Year ended/ending Mar.31	
	2009	2008
Interim (per share, Yen)	N/A	30.00
Year-end (per share, Yen)	N/A	35.00
Annual (per share, Yen)	N/A	65.00

3. Projected Results for the First Half (Six months ending September 30, 2008)

	Six months ending/ended Sep.30.		
	2008	2007	Variance(%)
Net sales	263,800	198,759	32.7
Operating income	45,000	49,489	-9.1
Ordinary income	48,400	52,095	-7.1
Net income	40,400	38,117	6.0
Net income per share (Yen)	93.33	88.25	5.08

Note:

To calculate expected net income per share, expected net income is divided by expected average number of shares through the term.

[Business Overview and Financial Statements]

1. Results of Operations

1) General Overview

In terms of the Japanese economy in the first quarter, uncertainties over economic outlook have worsened due to lower business confidence and a slump in personal consumption as well as capital investment influenced by price hikes of raw materials including crude oil, concern over economic recovery in the U.S., and unstable conditions of the financial and capital markets such as sharp appreciation of the yen and sluggish stock prices.

Under these circumstances, sales of the HOYA group in the first quarter increased mainly reflecting the additional results of PENTAX, that was included in the scope of consolidation during the previous fiscal year, although the sales decreased in existing main areas such as the Electro-Optics (EO) section and Vision Care section.

Operating income decreased compared with the same period of the previous year. Due to extraordinary gain from partial assignment of the shares of NH Techno Glass Corporation (equity method affiliate) and previous years' commissions received resulting from review of license agreement, the net income of the quarter increased compared with the same period of the previous year, in spite of the significant increase of income tax-deferred compared with the same period of the previous year.

As a result, consolidated net sales during the quarter under review amounted to Yen 130,156 million. Operating income and net income came to Yen 21,857 million and Yen 21,198 million respectively.

2) Segment Overview

1. Information Technology

Electro-Optics

In the EO section, although the ratio of orders for high-precision products has increased for Mask Blanks and Photomasks for semiconductor manufacturing, demands for masks have decreased due to the sluggish economy, which resulted in decreased net sales compared to the same period of the previous year. Sales of large photomasks for manufacturing liquid crystal panels increased because orders for high-precision models have increased in spite of continuous and significant price declines in the market. As for glass disks for HDD (hard disk drives), the sales has increased only slightly due to the unit price decline, even though unit shipments increased significantly. In optical lenses, orders have decreased for compact digital cameras, resulting in decreased sales.

Operating profit decreased in comparison to the same period of the previous year against the backdrop of continuously lower prices of products and increasing production costs caused by price hikes of raw materials as well as the foreign exchange effect of appreciation of the yen in the decelerating global economy.

Photonics

With laser-equipped industrial and medical equipment as major products, clients in the industrial area include producers of semiconductors, LCD panels, optical devices and so forth. The market has been fraught with intense competition. Sales in the quarter under review decreased against the previous year due to the decline in orders, and operating income also decreased mainly because of the increased production cost amid the rise in material costs in a global base.

2. Eye Care

Vision Care

In the Vision Care section, the sales of eyeglass lenses in the domestic market have continuously been in a slump due to price decline in the market. In overseas market, in addition of the economic slowdown, competition with lower price lenses has gradually increased. The sales of the section as a whole decreased in comparison to the same period of the previous year.

Health Care

In the Health Care section, sales of contact lenses have increased through the consulting sales and pricing strategies at our directly-owned stores. IOL (intraocular lens) showed a favorable trend for the soft lens. Sales increased for both businesses in comparison to the same period of the previous year.

3. Pentax

As for the medical endoscope of PENTAX, sales increased in comparison to the same period of the previous year due to the favorable trend of a new endoscope system compatible with mega-pixel imaging in overseas markets. As for digital cameras, sales have decreased due to declined sales volume of compact cameras, and revenue from single lens reflex cameras has also decreased as our new products faced severe price competitions with competitors.

This section has been implementing a structural reorganization in view of future growth, and recorded operating loss in this quarter under review posting expenses for reviewing business strategies, organizational changes, as well as revaluation of assets, etc., in addition of goodwill amortization generated upon integration.

2. Financial Position

1) Assets, Liabilities and Net assets

As of the end of the first quarter, current assets increased by Yen 12,436 million, mainly because cash and deposits increased by Yen 4,026 million in comparison to the end of the previous quarter. Fixed assets decreased by Yen 16,323 million. Total assets decreased Yen 3,888 million in comparison to the end of the previous quarter to Yen 685,555 million. Total liabilities decreased Yen 25,044 million to Yen 269,774 million owning mainly to decrease the income tax payable by Yen 24,519 million. Total net assets reached Yen 415,781 million with the difference of foreign currency translation increased by Yen 17,399 million. Owners' equity which is calculated by subtracting new share subscription rights and minority interest from net assets amounted Yen 411,949 million, and the owner's equity ratio reached 60.1%.

2) Conditions of Cash Flows

In the first quarter, the operating cash flow reached Yen 2,883 million, with the increase of cash due mainly to net income before taxes and other adjustments of the quarter of Yen 35,432 million and depreciation expenses of Yen 12,589 million, as well as the decrease of cash mainly due to payment of corporation tax, etc. of Yen 27,157 million.

Cash flow used in investment activities amounted to Yen 1,892 million. This was mainly attributable to payment of Yen 9,282 million for investments in next-generation production in Electro-optics section, proceeds of Yen 17,486 million from the sales of investment securities of NH Techno Glass Corporation and others, and cash payment of Yen 9,321 million on merger to minority shareholders stemming from the acquisition of Pentax Corporation.

The cash flow used in financing activities reached Yen 5,482 million, because of dividend payment of Yen 14,378 million and Yen 8,798 million of net increase of commercial paper.

As a result, the balance of cash and cash equivalents at the end of the quarter reached Yen 185,361 million.

3. Projected Results for the First Half

(Six months ending Sep. 30, 2008)

	<u>Millions of Yen</u>		variance (%)
	<u>Six months ending/ended</u>		
	Sep.30,2008	Sep.30,2007	
Net sales	263,800	198,759 (	32.7)
Operating income	45,000	49,489 (	-9.1)
Ordinary income	48,400	52,095 (	-7.1)
Net income	40,400	38,117 (	6.0)
Net income per share (Yen)	93.33	88.25	5.08

The economic condition of the current period has additional downside risks due to the sluggish economy in the U.S., and there is concern over its influence on the global economy together with the rising prices of raw materials such as crude oil. In the domestic economy, there is a negative forecast for corporate earnings influenced by various factors such as foreign exchange, stock prices, prices of commodities, employment, etc., and consumer sentiment in addition to the slow capacity of foreign demand.

We have forecasted that the sales of our group will increase in comparison to the same period of the previous year considering the sales of PENTAX for the first half. However, in the EO section, we expect to see a revenue decrease due to continuing decline of prices of major products and decline in the volume of orders due to the slow-down of economy. In the Vision Care section, we expect a severer condition due to declining personal consumption because of the economic slowdown and price hikes not only in the domestic market but also in the overseas markets. As the Health Care section has been successful, we expect to see increases both in sales and profit.

As for PENTAX, sales of the medical endoscope have been steadily growing, and we expect to see an increase of revenue. The status of the digital cameras is still serious, and we expect to see a decrease of revenue.

As for operating profit, we expect to see a decrease in comparison to the same period of the previous year due to declining revenue in the EO section, amortization of the goodwill and the expenses regarding business reorganization for future growth in PENTAX.

Ref: for the 2nd quarter

1. Year-on-year comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Sep.30,2008	Sep.30,2007	
Net sales	133,644	100,980 (	32.3)
Operating income	23,143	26,849 (	-13.8)
Ordinary income	25,927	28,119 (	-7.8)
Net income	19,202	21,020 (	-8.6)
Net income per share (Yen)	44.36	48.64	-4.28

2. Quarter-on-quarter comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Sep.30,2008	Jun.30,2008	
Net sales	133,644	130,156 (	2.7)
Operating income	23,143	21,857 (	5.9)
Ordinary income	25,927	22,473 (	15.4)
Net income	19,202	21,198 (	-9.4)
Net income per share (Yen)	44.36	48.97	-4.61

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, or currency exchange rates.

4. Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen		
	As of		
	Jun.30,2008	Mar.31,2008	Variance
ASSETS			
Current assets			
Cash and deposits	185,493	181,467	4,026
Notes and accounts receivable - trade	121,633	120,521	1,112
Merchandise and finished goods	42,458	39,080	3,378
Raw materials	12,315	10,705	1,610
Work in process	15,461	18,737	-3,276
Supplies	13,843	14,299	-456
Deferred tax assets	12,567	10,867	1,700
Other current assets	21,626	16,982	4,644
Allowance for doubtful receivables	-2,693	-2,388	-305
Total current assets	422,708	410,272	12,436
Fixed assets			
Tangible fixed assets			
Buildings and structures (net)	42,669	40,636	2,033
Machinery and carriers (net)	65,694	67,264	-1,570
Tools, equipment and fixtures (net)	20,485	17,202	3,283
Lands	16,769	16,887	-118
Construction in progress	10,992	10,211	781
Total tangible fixed assets	156,611	152,202	4,409
Intangible fixed assets			
Goodwill	30,249	32,680	-2,431
Other intangible fixed assets	22,604	23,624	-1,020
Total intangible fixed assets	52,853	56,304	-3,451
Investments and other assets			
Investment securities	16,958	22,202	-5,244
Deferred tax assets	28,592	41,159	-12,567
Other assets	8,147	7,626	521
Allowance for doubtful receivables	-316	-325	9
Total investment and other assets	53,382	70,663	-17,281
Total fixed assets	262,847	279,170	-16,323
TOTAL ASSETS	685,555	689,443	-3,888

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen		
	As of		
	Jun.30,2008	Mar.31,2008	Variance
LIABILITIES			
Current liabilities			
Notes and accounts payable - trade	51,627	55,539	-3,912
Short-term bank loans	7,133	6,465	668
Long-term bank loans matured within a year	8,689	8,749	-60
Commercial paper	14,990	6,191	8,798
Income tax payable	6,274	30,793	-24,519
Accrued expenses	23,041	22,514	527
Accrued bonuses to employees	6,362	7,452	-1,090
Accrued bonuses to directors	13	68	-55
Accrued warranty cost	839	977	-138
Other current liabilities	22,831	30,103	-7,272
Total current liabilities	141,803	168,855	-27,052
Long-term liabilities			
Corporate bonds	99,968	99,966	2
Long-term bank loans	13,265	13,268	-3
Accrued retirement benefits	10,579	10,210	369
Allowance for special repairs	1,068	1,017	51
Other long-term liabilities	3,090	1,500	1,590
Total long-term liabilities	127,970	125,962	2,008
Total Liabilities	269,774	294,818	-25,044
NET ASSETS			
Shareholders' equity			
Paid-in capital	6,264	6,264	—
Capital surplus	15,898	15,898	—
Earned surplus	377,184	373,887	3,297
Treasury stock	-7,983	-7,984	1
Total shareholders' equity	391,364	388,066	3,298
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	-667	-834	167
Translation adjustments	21,250	3,851	17,399
Total valuation and translation adjustments	20,583	3,016	17,567
New share subscription rights	711	632	79
Minority interest	3,121	2,909	212
Total Net Assets	415,781	394,625	21,156
TOTAL LIABILITIES AND NET ASSETS	685,555	689,443	-3,888
Notes:			
	Millions of Yen		
1. Accumulated depreciation	257,860	238,399	
2. Guarantees of borrowings and lease obligations for customers and Group's employees	1,946	2,072	
3. Value of discount on notes receivable	710	1,551	
4. Number of shares of treasury stock (unit:stocks)	2,158,133	2,158,291	

(2) Quarterly Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

Three months ended

	Jun.30, 2008	Jun.30, 2007	Variance		Mar.31, 2008
			Value	(%)	
Net sales	130,156	97,779	32,377	33.1	135,816
Cost of sales	72,901	52,120	20,781	39.9	77,854
Gross profit	57,255	45,658	11,597	25.4	57,962
Selling, general and administrative expenses	35,397	23,018	12,379	53.8	39,903
Operating income	21,857	22,640	-783	-3.5	18,059
Non-operating income					
Interest income	1,221	1,030	191		1,228
Equity in earnings of affiliates	801	599	202		1,748
Others	1,653	805	848		3,930
Total non-operating income	3,676	2,435	1,241	51.0	6,907
Non-operating expenses					
Interest expense	604	10	594		635
Foreign exchange losses	1,363	440	923		2,429
Others	1,093	649	444		1,993
Total non-operating expenses	3,061	1,099	1,962	178.5	5,058
Ordinary income	22,473	23,976	-1,503	-6.3	19,908
Extra-ordinary gains					
Gain on sales of investment securities	9,704	—	9,704		—
Received commission for previous years	3,200	—	3,200		—
Gain on sales of property, plant and equipment	57	22	35		65
Others	182	98	84		174
Total extra-ordinary gains	13,144	121	13,023	—	239
Extra-ordinary losses					
Loss on disposal of property, plant and equipment	117	66	51		667
Additional retirement benefits paid to employees	28	62	-34		78
Loss on impairment	18	22	-4		247
Maintenance of environment	16	5	11		47
Others	4	932	-928		224
Total extra-ordinary losses	185	1,089	-904	-83.0	1,266
Income before income taxes and minority interests	35,432	23,008	12,424	54.0	18,882
Income taxes - Current	2,480	3,956	-1,476	-37.3	21,305
Income taxes - Deferred	11,664	1,932	9,732	503.7	-21,339
Total income taxes	14,144	5,888	8,256	140.2	-34
Minority interests in net income	89	21	68	323.8	-2,088
Net income	21,198	17,097	4,101	24.0	21,004
Net income per share(Yen)	48.97	39.61	9.36		48.53
Net income per share after adjustment of potential shares(Yen)	48.97	39.51	9.46		48.52

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2008 A" is the actual value of this period. "2008 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2008 A	2008 B	influences
Net sales	130,156	133,217	-3,061
Operating income	21,857	23,382	-1,525
Ordinary income	22,473	24,114	-1,641
Net income	21,198	22,718	-1,520

	Three months ended			
	Jun.30,2008	Jun.30,2007	Variance(%)	Mar.31,2008
2. Average rates of major foreign currencies				
US\$	Yen 105.44	121.58	13.3%	103.79
Euro	Yen 164.77	163.99	-0.5%	158.34
Thai Baht	Yen 3.23	3.77	14.3%	3.38

(3) Quarterly Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	Three months ended Jun.30.		
	2008	2007	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	35,432	23,008	12,424
Depreciation and amortization	12,589	9,985	2,604
Loss on impairment of long-lived assets	18	22	-4
Provision for (reversal of) accrued allowances for doubtful receivables	168	225	-57
Provision for (reversal of) accrued bonuses to employees	-1,145	-2,099	954
Provision for (Reversal of) reserve for periodic repairs	51	81	-30
Interest and dividend income	-1,274	-1,050	-224
Interest expense	604	10	594
Foreign exchange loss (gain)	-1,381	2,195	-3,576
Equity in earnings of affiliates	-801	-599	-202
Gain (loss) on sales of tangible fixed assets	59	43	16
Gain (loss) on disposal and write-down of investment securities	-9,675	871	-10,546
(Increase) decrease in notes and accounts receivable	1,797	1,570	227
(Increase) decrease in inventories	1,174	-2,899	4,073
(Increase) decrease in other current assets	-4,484	-1,695	-2,789
Increase (decrease) in notes and accounts payable	-4,612	30	-4,642
Increase (decrease) in income taxes payable	679	939	-260
Increase (decrease) in other current liabilities	416	787	-371
Other	-2	1,966	-1,968
Sub total	29,612	33,395	-3,783
Interest and dividend - received	526	972	-446
Interest - paid	-98	-10	-88
Income taxes - paid	-27,157	-12,541	-14,616
Net cash provided by operating activities	2,883	21,815	-18,932
INVESTING ACTIVITIES:			
Payments of property, plant and equipment	-9,282	-10,212	930
Proceeds from sales of property, plant and equipment	495	135	360
Payments of investment securities	-747	-0	-747
Proceeds from sales of investment securities	17,486	-	17,486
Payments on merger to minority shareholders	-9,321	-	-9,321
Payments for acquisition of subsidiary's stocks for consolidation	-	-364	364
Payments for loans	-111	-0	-111
Proceeds from collection of loans	25	8	17
Payments for other investments	-581	-554	-27
Proceeds from other investments	145	97	48
Net cash used in investing activities	-1,892	-10,891	8,999
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	158	-	158
Net increase (decrease) in commercial paper	8,798	7,991	807
Proceeds from long-term bank loans and issuance of corporate bonds	101	-	101
Repayments of long-term debt	-120	-	-120
Payments for purchase of treasury stock	-1	-3	2
Proceeds from sales of treasury stock	1	368	-367
Dividends paid	-14,378	-14,336	-42
Dividends paid for minority shareholders	-40	-	-40
Net cash provided by (used in) financing activities	-5,482	-5,980	498
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	8,516	6,045	2,471
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,025	10,988	-6,963
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	181,335	120,621	60,714
CASH AND CASH EQUIVALENTS, END OF PERIOD	185,361	131,610	53,751

Notes:

- Negative figures with minus in the consolidated statements of cash flows indicate net outflow of cash and cash equivalents.
- The above statements are direct translation from *Kessan Tanshin* which was made under the Japanese Accounting Standard.
- Cash and Cash Equivalents at the End of the Period

	2008	2007
Cash and deposits	185,493	131,610
Time deposit over three months	-132	-
Total	185,361	131,610

(4) Segment Information

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

for the three months ended June 30, 2008

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	48,402	1,803	30,899	12,369	36,451	231	130,156	—	130,156
Intersegment	84	113	0	—	0	998	1,197	-1,197	—
Total	48,486	1,916	30,899	12,369	36,451	1,230	131,354	-1,197	130,156
Operating expenses	34,332	1,798	25,170	9,316	36,490	1,205	108,314	-15	108,298
Operating income (-loss)	14,153	117	5,728	3,052	-38	25	23,039	-1,181	21,857
Operating margin	29.2%	6.1%	18.5%	24.7%	-0.1%	2.0%	17.5%	—	16.8%
Assets	222,544	7,828	118,915	21,156	204,574	2,422	577,441	108,114	685,555
Depreciation	7,026	28	1,884	298	3,288	12	12,539	49	12,589
Loss on impairment	—	—	—	—	—	18	18	—	18
Capital Expenditures	6,060	13	1,230	569	1,505	53	9,433	204	9,638
R&D Expenses	2,466	266	281	333	1,274	2	4,625	—	4,625
Number of employees (p)	21,438	172	7,493	982	6,530	253	36,868	70	36,938

for the three months ended June 30, 2007

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	51,549	2,210	32,455	11,223	-	340	97,779	—	97,779
Intersegment	59	50	0	—	-	680	791	-791	—
Total	51,609	2,261	32,455	11,223	-	1,020	98,570	-791	97,779
Operating expenses	35,635	2,078	27,178	8,785	-	1,068	74,746	392	75,138
Operating income (-loss)	15,973	183	5,276	2,437	-	-47	23,823	-1,183	22,640
Operating margin	31.0%	8.1%	16.3%	21.7%	-	-4.6%	24.2%	—	23.2%
Assets	246,256	7,544	130,255	21,117	-	2,495	407,669	61,379	469,048
Depreciation	7,522	27	2,041	333	-	10	9,934	51	9,985
Loss on impairment	—	—	—	—	-	22	22	—	22
Capital Expenditures	7,356	39	2,746	186	-	41	10,371	5	10,376
R&D Expenses	2,416	267	558	389	-	4	3,636	—	3,636
Number of employees (p)	18,987	199	7,706	947	-	213	28,052	70	28,122

Ref:

Difference between the 1st quarter this year and the same quarter last year

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	-3,147	-407	-1,556	1,146	36,451	-109	32,377	-	32,377
Variance (%)	-6.1%	-18.4%	-4.8%	10.2%	-	-32.1%	33.1%	-	33.1%
Intersegment	25	63	0	—	0	318	406	-406	-
Total	-3,123	-345	-1,556	1,146	36,451	210	32,784	-406	32,377
Operating expenses	-1,303	-280	-2,008	531	36,490	137	33,568	-407	33,160
Operating income	-1,820	-66	452	615	-38	72	-784	2	-783
Variance (%)	-11.4%	-36.1%	8.6%	25.2%	-	—	-3.3%	-	-3.5%
Assets	-23,712	284	-11,340	39	204,574	-73	169,772	46,735	216,507
Depreciation	-496	1	-157	-35	3,288	2	2,605	-2	2,604
Loss on impairment	-	-	-	-	-	-4	-4	-	-4
Capital Expenditures	-1,296	-26	-1,516	383	1,505	12	-938	199	-738
R&D Expenses	50	-1	-277	-56	1,274	-2	989	-	989
Number of employees (p)	2,451	-27	-213	35	6,530	40	8,816	0	8,816

*Elimi. or corp. : Elimination or corporate

Notes:

1. The business divisions are classified by the similarities in products, such as types, characters, etc.
2. Products and Services of each Business Division:
 - (1) Since PENTAX and its subsidiaries were consolidated to HOYA Corporation during the second quarter of last fiscal year, assets and number of employees of PENTAX and its subsidiaries were combined into the segment information from the second quarter last year while profit and loss were combined from the third quarter last year. The segmentation of business category, products and services were reclassified as per below from the second quarter last year.

Business Category	Division	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs), Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, electronic glasses, Optical communication related devices, etc.
	Photonics	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Pentax		Endoscopes, medical accessories, APACERAM bone prosthesis, CHT Ceramic Hydroxyapatite, Digital cameras, Interchangeable lenses, CCTV lenses, Digital camera modules, Micro lenses, etc.
Others		Crystal glass products; Design of information systems, etc.

- (2) Formerly the company's business segment classification was as follows:

Business Category	Division	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs), Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, electronic glasses, Optical communication related devices, etc.
	Photonics	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Others		Crystal glass products; Design of information systems, etc.

3. Amounts and composition of unallocable operating expenses are included in "Eliminations or Corporate". Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional headquarters, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Jun. 30, 2008 and 2007 are as follows:

2008	952 million Yen	2007	1,228 million Yen
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4. Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional headquarters. Corporate assets as of Jun. 30, 2008 and 2007 are as follows:

2008	131,663 million Yen	2007	81,074 million Yen
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2. Geographical Segments

for the three months ended June 30, 2008

Millions of Yen

	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	73,076	14,982	29,073	13,023	130,156	—	130,156
Intersegment	17,586	263	206	39,338	57,394	-57,394	—
Total	90,662	15,245	29,280	52,362	187,550	-57,394	130,156
Operating expenses	83,457	15,616	26,097	40,252	165,423	-57,124	108,298
Operating income(-loss)	7,205	-370	3,182	12,109	22,126	-269	21,857
Operating margin	8.0%	-2.4%	10.9%	23.1%	11.8%	—	16.8%
Assets	317,707	35,750	83,169	234,701	671,330	14,225	685,555

for the three months ended June 30, 2007

Millions of Yen

	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	64,515	10,332	14,779	8,150	97,779	—	97,779
Intersegment	7,060	52	137	38,227	45,478	-45,478	—
Total	71,576	10,385	14,917	46,377	143,257	-45,478	97,779
Operating expenses	62,385	9,623	13,127	37,218	122,355	-47,216	75,138
Operating income	9,190	761	1,790	9,159	20,902	1,738	22,640
Operating margin	12.8%	7.3%	12.0%	19.7%	14.6%	—	23.2%
Assets	161,276	20,592	48,458	228,337	458,663	10,385	469,048

Ref : Difference between the 1st quarter this year and the same quarter last year

Millions of Yen

	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	8,561	4,650	14,294	4,873	32,377	—	32,377
Variance (%)	13.3%	45.0%	96.7%	59.8%	33.1%	—	33.1%
Intersegment	10,526	211	69	1,111	11,916	-11,916	—
Total	19,086	4,860	14,363	5,985	44,293	-11,916	32,377
Operating expenses	21,072	5,993	12,970	3,034	43,068	-9,908	33,160
Operating income	-1,985	-1,131	1,392	2,950	1,224	-2,007	-783
Variance (%)	-21.6%	-148.6%	77.8%	32.2%	5.9%	—	-3.5%
Assets	156,431	15,158	34,711	6,364	212,667	3,840	216,507

Notes:

1. Countries and regions are classified by geographical proximity, and the Company and subsidiaries are summarized in four areas based on the countries where the Group offices are located. The major countries and regions that belong to the classification other than Japan are as follows:

North America: United States of America, Canada, etc.

Europe: Netherlands, Germany, United Kingdom, etc., including South Africa

Asia: Singapore, Thailand, China, Republic of Korea, Taiwan, etc., including Australia

2. Amounts and composition of unallocable operating expenses are included in "Eliminations or Corporate". Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional headquarters, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Jun. 30, 2008 and 2007 are as follows:

2008	1,187 million Yen	2007	1,200 million Yen
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3. Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional holding companies. Corporate assets as of Jun. 30, 2008 and 2007 are as follows:

2008	100,214 million Yen	2007	68,295 million Yen
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3. Overseas Sales

for the three months ended June 30, 2008

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	15,656	29,779	37,716	322	83,475
Total Consolidated Net Sales (B)					130,156
Overseas Sales ratio A/B	12.0%	22.9%	29.0%	0.2%	64.1%
Regional Breakdown	18.7%	35.7%	45.2%	0.4%	100.0%

for the three months ended June 30, 2007

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	10,822	15,448	27,393	179	53,843
Total Consolidated Net Sales (B)					97,779
Overseas Sales ratio A/B	11.1%	15.8%	28.0%	0.2%	55.1%
Regional Breakdown	20.1%	28.7%	50.9%	0.3%	100.0%

Ref:

Difference between the 1st quarter this year and the same quarter last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	4,834	14,331	10,323	143	29,632
Total Consolidated Net Sales (B)					32,377
Variance (%)	44.7%	92.8%	37.7%	79.9%	55.0%

Notes:

1. The overseas sales represent the sales of the Company and subsidiaries in countries and regions other than Japan.
2. Countries and regions are classified by geographical proximity, and the overseas sales are summarized in four areas based on the countries where the Customers are located. The major countries and regions that belong to the classification other than Japan are as follows:

North America: United States of America, Canada, etc.
 Europe: Netherlands, Germany, United Kingdom, etc., including South Africa
 Asia: Singapore, Thailand, Republic of Korea, Taiwan, etc., including Australia
 Other: Saudi Arabia, Brazil, etc.

(5) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

Business Category	Millions of Yen					
	Three months ended		Variance	(%)	Three months ended	
	Jun.30, 2008	Jun.30, 2007			Mar. 31, 2008	
Electro-Optics						
Domestic	18,823 (38.9)	23,195 (45.0)	-4,372	-18.8	20,709 (41.4)	
Overseas	29,578 (61.1)	28,353 (55.0)	1,225	4.3	29,286 (58.6)	
total	48,402 [37.2]	51,549 [52.7]	-3,147	-6.1	49,995 [36.8]	
Photonics						
Domestic	859 (47.7)	964 (43.6)	-105	-10.9	992 (46.2)	
Overseas	943 (52.3)	1,246 (56.4)	-303	-24.3	1,157 (53.8)	
total	1,803 [1.4]	2,210 [2.3]	-407	-18.4	2,149 [1.6]	
Electro-Optics						
Domestic	19,683 (39.2)	24,160 (44.9)	-4,477	-18.5	21,701 (41.6)	
Overseas	30,522 (60.8)	29,599 (55.1)	923	3.1	30,444 (58.4)	
total	50,205 [38.6]	53,760 [55.0]	-3,555	-6.6	52,145 [38.4]	
Vision Care						
Domestic	7,502 (24.3)	8,622 (26.6)	-1,120	-13.0	7,699 (24.9)	
Overseas	23,396 (75.7)	23,832 (73.4)	-436	-1.8	23,253 (75.1)	
total	30,899 [23.7]	32,455 [33.2]	-1,556	-4.8	30,952 [22.8]	
Health Care						
Domestic	11,757 (95.1)	10,811 (96.3)	946	8.8	11,098 (96.1)	
Overseas	611 (4.9)	411 (3.7)	200	48.7	446 (3.9)	
total	12,369 [9.5]	11,223 [11.5]	1,146	10.2	11,544 [8.5]	
Eye Care						
Domestic	19,260 (44.5)	19,434 (44.5)	-174	-0.9	18,797 (44.2)	
Overseas	24,008 (55.5)	24,244 (55.5)	-236	-1.0	23,699 (55.8)	
total	43,268 [33.2]	43,678 [44.7]	-410	-0.9	42,497 [31.3]	
Pentax						
Domestic	7,506 (20.6)	— (—)	7,506	—	9,874 (24.1)	
Overseas	28,944 (79.4)	— (—)	28,944	—	31,049 (75.9)	
total	36,451 [28.0]	— [—]	36,451	—	40,923 [30.1]	
Others						
Domestic	231 (100.0)	340 (100.0)	-109	-32.1	250 (100.0)	
Overseas	0 (0.0)	0 (0.0)	0	—	0 (0.0)	
total	231 [0.2]	340 [0.3]	-109	-32.1	250 [0.2]	
Total Net Sales						
Domestic	46,681 (35.9)	43,935 (44.9)	2,746	6.3	50,623 (37.3)	
Overseas	83,475 (64.1)	53,843 (55.1)	29,632	55.0	85,193 (62.7)	
Total	130,156 [100.0]	97,779 [100.0]	32,377	33.1	135,816 [100.0]	

Notes: 1. Figures of less than a million yen are omitted.

2. Figures in () are percentages of business category sales.

3. Figures in [] are percentages of total net sales.

5. Sales Growth Rate by Products (actual and forecast)

Fiscal Term Products	Year-on-year growth rate (%) (Compared with the same period last year)			Sequential growth rate (%) (Compared with the previous quarter)	
	Three months ended Jun.30, 2008	Three months ending Sep.30,2008 (E)	Six months ending Sep.30,2008 (E)	Three months ended Jun.30, 2008	Three months ending Sep.30,2008 (E)
Mask Blanks	-13.8	-10.4	-12.1	-9.7	5.6
LSI Photomasks	-8.3	-13.4	-10.8	1.1	-5.7
LCD Photomasks	6.2	9.0	7.6	25.4	0.3
Memory Disks	5.4	-4.5	0.0	-9.1	9.4
Optical Lenses	-18.0	-14.8	-16.4	-2.0	7.2
Eyeglass Lenses	-0.4	-1.8	-1.1	-0.2	-4.5
Japan	-10.8	-6.7	-8.7	-0.6	7.8
USA	-14.4	-5.8	-10.2	0.4	3.5
Europe	10.3	1.4	6.0	-0.1	-14.5
Asia	7.7	5.0	6.3	-0.3	0.2
PENTAX (note)	-10.8	-18.5	-14.8	-10.9	0.3

Note:

Income statements of PENTAX were consolidated from the 3rd quarter ended Dec 31, 2007. For your information, sales growth rates of PENTAX are the comparison with the same period last year and the previous quarter respectively.